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# **Nepotism, Employees' Competencies and Firm Performance in the Tourism Sector: A Dual Multivariate and Qualitative Comparative Analysis Approach**

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## **Abstract**

The paper identifies the critical competencies affecting Egyptian travel agents' performance while assessing the negative influence of nepotism on such competencies. To address this aim, the study uses a holistic dual approach employing a multivariate technique using Partial Least Squares Structural Equation Modelling (PLS-SEM) and a configuration method through a fuzzy-set Qualitative Comparative Analysis (fsQCA). Based on a sample of 500 travel agents' employees, the results show that: (1) none of the competencies is sufficient to drive travel agents' performance, (2) two distinct configurations of employee competencies are likely to result in high performance, and (3) nepotism has a direct negative influence on some of these competencies. The study holds important implications for both theory and practice.

## **Keywords**

Employees' Competencies, Travel Agents' Performance, Nepotism-favouritism, Structural Equation Modelling, fsQCA.

## **1. Introduction**

In theory, employee competencies are considered as the principle drivers for firms' performance (Čižiūnienė, Vaičiūtė, & Batarlienė, 2016), largely due to their inimitable nature (Vathanophas & Thai-Ngam, 2007). Hence, a plethora of studies have investigated the role of various employee competencies, including technological, marketing and integrative competencies, in improving organizational performance (Chung, 2000; Naquin & Holton, 2006; Čižiūnienė et al., 2016). For example, factors such as network, cross-culture, inter-firm partnership, alliance, and intercultural communication competences (Ibrahim, Abdullah, & Ismail, 2016); computer and language skills, feelings and ethics, team working and leadership, knowledge and skills (Lertwannawit, Serirat, & Pholpantin, 2009) were all proven to be important determinants of organizational performance. Organizations would be unable to achieve their goals without the presence of competent employees, especially under the current working environment (Čižiūnienė et al., 2016).

However, despite the wide evidence of the role of such competencies in driving performance, the usefulness of the current empirical literature for managers and businesses

remains limited. In fact, while it has been proven that superior performance typically results from a gestalt of several interconnected and mutually reinforcing factors (Nordqvist, Sharma, & Chirico 2014), the extant literature is silent when it comes to identifying the combinations of competencies likely to drive performance. Thus far, most previous works have focused on the individual effect of each competency and have neglected the combined influence of these factors. This is an important limitation, since uncovering such combinations would be crucial in assisting firms in deploying the relevant resource strategies. In this respect, firms generally deploy their resources and competencies in bundles in order to execute their functions (Gruber, Heinemann, Brettel, & Hungeling, 2010). Consequently, limited practical guidance can be offered to policy makers and firm managers seeking to develop competitive advantages (Kunc & Morecroft, 2010). A configurational approach would therefore provide great opportunities to overcome such a limitation and offer practical insights into developing small business management literature (Nordqvist et al., 2014) as well as tourism literature (Pappas & Papatheodorou, 2017).

Furthermore, when studying the configuration of employee competencies likely to drive organisational performance, there is a need to take into consideration the factors that may undermine such competencies. In this regard, Ozler, Ergun and Gumustekin (2007) indicated that employees' competencies could be negatively influenced by nepotism. Nepotism and favouritism practices based on kinship may sometimes cause family struggles, weakened organizational commitment and turnover of competent and high quality managers. Hayajenh, Maghrabi and Al-Dabbagh (1994, p. 51) indicated that "nepotism practices have a negative impact on employees, management, and organizations. This negative impact has led to various undesirable characteristics such as employees' absenteeism/turnover, management disappointment, frustration, and stress and organization in performance". Such practices are particularly prevalent in the present context. In fact, while small and medium travel agencies are typically family owned, which can be an asset, evidence shows that family owners are more inclined to show nepotism practices with family members over non-family members, especially for key positions within the firm (Firfiray, Cruz, Neacsu, & Gomez-Mejia 2017). Here, the family nature may hinder the development of human capital (Dyer, 2006) as well as the monitoring and discipline mechanisms (Schulze, Lubatkin, Dino, & Buchholtz 2001). Such consequences are likely to hold a negative influence on employees' competencies.

Against this background, the present study addresses the following questions: (1) which combinations of employees' competencies will drive travel agents' performance? (2) Does the practice of nepotism have any influence on such competencies? To answer these questions, the study in hand adopts a dual regression based and configuration approach to identify the key combinations likely to increase travel agents' performance as well as the influence of nepotism on such competencies.

The study takes place in the Egyptian tourism context. Tourism is considered as one of the main pillars of the Egyptian economy and a main source for foreign currency (El-Gohary, 2012; Elbaz & Haddoud, 2017). It generates more than 10% of the gross domestic product and acts as an important employer. In 2010, Egypt received 14.7 million tourists with estimated revenues of \$12.5 billion. Despite a drop to 9.8 million in number of tourists in 2011, growth has recovered in 2012, recording an increase of 23% with 11.5 million tourists and a revenue of \$10 billion. In the first quarter of 2013 statistics pointed out that three million tourists visited Egypt, with an increase of 14.6% compared with the same period of 2012 (Tourism in Figures, 2013). By 2014, travel and tourism generated 1.3 million jobs (5.2% of total employment). This grew by 5.4% in 2015 to 1.4 million jobs (5.4% of total employment) in hospitality, travel agents, airlines and other passenger transportation services (WTTC, 2015). Travel agents are considered the backbone of the tourism sector in Egypt; they create substantial jobs, and contribute to gathering all the tourism entities and making

beneficial communications and integrations to organizing, preparing, and implementing the tourism processes (Baloglu & Mangaloglu, 2001). They act as the direct responsible body for organizing tours and tourists' visits across Egypt. They are intermediaries or brokers between tour operators from one side, national tourism service providers, and each other's for providing individual, group, and packaging tourism services from another side. Egyptian Travel Agents Association (ETAA) pointed out that there are more than 2400 licensed travel agents in Egypt, including more than 1200 travel agents listed in category "A" who are allowed to organize and to implement all the tourism based business in Egypt (Egyptian Travel Agents Association, 2016). In short, travel agencies are key to the Egyptian economy and constitute the main focus of the government. However, nepotism practices are unfortunately common amongst Egyptian firms (Budhwar & Mellahi, 2006). Hence, it would be worth raising awareness about the risks associated with this practice.

Drawing on the human resource development theory (Swanson, 2001; Shih, Chiang, & Hsu, 2006), this paper aspires to contribute to both tourism and human resources literatures by: (1) Uncovering the different configurations of employee competencies likely to drive performance of small and medium travel agencies and (2) assessing the impact of nepotism practices on such competencies. Due to the nature of the sector, human resources practices are particularly important in tourism and hospitality (Nickson, 2013). Additionally, the study adds a contextual contribution using evidence from a largely neglected region in the tourism literature, namely: Egypt. The obtained findings are likely to hold important implications for travel agencies' employees and leaders in Egypt and the Middle East and North Africa region (MENA).

This paper is structured as follow. First, the theoretical framework and hypotheses are developed. Thereafter, the research methods and findings are presented. Finally, results are discussed and conclusions drawn.

## **2. Theoretical Framework and Hypotheses development**

### ***2.1. Employees' Competencies and Organisational Performance***

Labour environment is characterized by intensive competition and rapid technological development (Martín-Rojas, García-Morales, & Bolívar-Ramos, 2013). As a result of global competition; demand for qualified employees has been increased (Kong, Cheung, & Song, 2012a). The central idea of human resources development (HRD) theory is that HRD has an influence on organizational efficiency through improving employee commitment as well as Knowledge, Skills, and Abilities (KSAs). Thus, enhancing employee skills and abilities are needed to create potential returns through increasing output and business performance (Shih et al., 2006). Employee KSAs and motivation are identified as the most important motive for the relationship of HRD and employee performance (Potnuru & Sahoo, 2016). Competent employees would achieve high performance levels by dealing effectively with work challenges, being creative and innovative, and possessing unique skills (Kong, 2013)

Previous studies posit that competent employees are a fundamental matter for achieving organizational competitive advantage (Čižiūnienė et al., 2016). According to Anvari, Soltani and Rafiee (2016, 192), competence based performance refers to "what people expected to do in their role as well as the knowledge and understanding required to carry out the work". In addition, Osei and Ackah (2015, p. 109) defined competencies as "behaviours that are associated with the knowledge and skills required to implement a certain mission effectively, and those behaviours can be a set of personal traits or a set of standardized and performance traits". In the tourism context, employees are the key success factor of the industry, as employees are in charge of providing tourist services (Serirat, 2009). Baum (2007) argued that success of such enterprises depends on several factors, such as renewal,

direction and management of the human resources, human resource training, reward, recognition and evaluation of human resources and human resource support through continuing learning and career development. Competencies are associated with the employee's characteristics leading him/her to perform efficiently in his/her work (Anvari et al., 2016). These characteristics include skills, knowledge, trends, motivation and behaviour (Nikolajevaite & Sabaityte, 2016). Moreover, competencies are central to organizations' competitiveness (Trivellas, Akrivouli, Tsifora, & Tsoutsas, 2015). Through such competencies, companies are able to increase efficiency, achieve the objectives and implementation of their strategies (Osei & Ackah, 2015), improve productivity, quality and decision-making (Zaim, Yaşar, & Ünal, 2013) and eventually improve performance (Anvari et al., 2016). Spencer and Spencer (1993) concluded that competencies comprising achievement orientation, teamwork and cooperation and analytical thinking have a great influence on organizational performance. Hence, as indicated by Boyatzis (1982), individuals who possess competencies will precede and lead to superior performance. Cheetham and Chivers (1996) explained that behavioral characteristics such as self-confidence, sensitivity, proactivity, and stamina can make a difference between adequate performance and superior performance. Kong, Cheung and Song (2012b) added that there is a relationship between career competencies and career satisfaction, which would ultimately lead to increasing performance. Using competencies will reflect positively on both employees and organizations, especially when these are actively utilised in the workforce strategic planning, recruitment and selection, training and development, performance management, promotions and incentives (Wesselink, Blok, Leur, Lans, & Dentoni, 2015). Likewise, Vathanophas and Thai-ngam (2007) confirmed that building employees' competencies and competitive capabilities is considered to be one of the key elements for building a strong organization. Employees' competencies enhance performance through increasing job satisfaction, creating and sharing knowledge (Trivellas et al., 2015), and fostering organizational innovation (Čižiūnienė et al., 2016), and high productivity (Potnuru & Sahoo, 2016).

Competencies can be broadly classified into two categories: personal and organizational (Turner & Crawford, 1994). Organisational competencies are typically integrated within the company's systems and structures and are likely to remain when an employee leaves. In contrast, employee competencies are embedded in the employees' characteristics and attributes. These typically include: employee's ethical competency; self-competency; across cultures competency; communication competency; team competency; and change competency (Hellriegel & Slocum, 2011). The present paper focuses on the personal competencies since these are the ones likely to be inimitable in nature and hence are expected to confer businesses with a sustainable competitive advantage and drive performance (Vathanophas & Thai-Ngam, 2007; Čižiūnienė et al., 2016). Vathanophas and Thai-Ngam (2007) indicated that strategies, work processes, services, and products can be imitated by competitors, but skills and capabilities of competent employees cannot be transferred or imitated. Figure 1 outlines the conceptual model developed in this study. Further details are provided in the following sub-sections.

**Insert Figure 1. Here**

## ***2.2 Self-competence and travel agents' performance***

Hellriegel and Slocum (2011, p. 12) mention that self-competence refers to "knowledge, skills and abilities to assess personal strengths and weakness, set and pursue professional and personal goals, balance work and personal life, and engage in new learning". Moreover, Mar, DeYoung, Higgins and Peterson (2006, p. 5) define self-competence as "the sense of one's capability derived from multiple experiences of successful intentional goal

pursuit". Self-competence has central features including KSAs of understanding one's own personality and attitudes, assessing one's own developmental, personal, and work objectives, and being responsible for managing oneself and career within stressful conditions at any time, understanding and acting on work motivations and emotions, and lastly, recognizing and evaluating oneself and others accurately. Having this competency would help to create positive personal attributes that would be needed for successfully developing the other competencies (Hellriegel & Slocum, 2011). For example, it is not possible to improve communication competence if employees are unable to recognize, to assess, and to explain differences and attitudes between employees. In addition, Tafarodi and Swann (1995) stated that self-competence might increase employees' abilities, efficiency, performance, success, and adaption under pressure. Consequently, building self-employee competencies through developing self-HRD is an important instrument for improving organizational performance (Potnuru & Sahoo, 2016). Therefore, the following hypothesis is proposed:

**Hypothesis 1:** Employees' self-competence enhances travel agents' performance.

### ***2.3. Team competence and travel agents' performance***

Employees' team competence refers to an employee's ability to make communally positive plans, respecting the innovations of the team, developing personal abilities, enriching the organization's team performance, and involving others to generate outcomes (Wang, 2013). In the tourism and hospitality sector, teamwork is seen as best practice when it comes to HRD, yet is a soft skill that is often lacking amongst employees (Nickson, 2013). Moreover, Potnuru and Sahoo (2016, p. 351) define team competence as "knowledge, skills and abilities to develop, support and lead a team to achieve goals". Team competence has features that include KSAs of employees implying the following: determining the reasons for forming the team; developing the strategies needed for building the team; setting clear targets for the team's performance; participating in determining the team's responsibilities and tasks as a whole; taking responsibility to achieve the objectives of the team as opposed to private goals and applying methods and techniques of decision-making matching with the objectives and tasks performed by teams; assessing the achievement of team goals; assessing the implementation of the plan; identifying the obstacles facing the team and ways to solve these; and, lastly, recognizing and solving conflicts between team members (Hellriegel & Slocum, 2011). Many organizations resort to using teams to streamline operations, increase the participation of workers, and improve quality. Employee cooperation in this sense was proven to be a performance enhancer as it often leads to clearer expectations and better resource allocation, hence justifying a relationship between teamwork and employees' performance (Eby & Dobbins, 1997). Likewise, Nzewi, Chiekezie and Nnesochi (2015) confirm that, teamwork leads to improving organizational performance, increasing job satisfaction, organizational commitment, motivations, behavioral changes, efficiency, performance, creativity and innovativeness, and intellectual capabilities. Accordingly, the present study suggests the following hypothesis:

**Hypothesis 2:** Employees' team competence enhances travel agents' performance.

### ***2.4. Change competence and travel agents' performance***

Change competence refers to "the ability of the employee to perform effectively in the present environment, during the change and in the future state; having all tools and procedures to successfully manage their personal transition through change" (Potnuru & Sahoo, 2016, p. 353). Managerial skills are closely related to change competence (Wadood, Gharlegghi, & Samadi, 2016). Change competence has features that include KSAs of

employees to be effective through applying the previous attributes to diagnose, develop, and implement the required changes as well as providing leadership that has the ability to manage the success of the planned change. Additionally, change competence includes the ability to identify the causes of resistance to change (whether internal or external) (Hellriegel & Slocum, 2011). A change competence is a tool for organizations to cope with a rapidly changing work environment (Voet, 2014). Kansal and Chandani (2014) indicate that an employee who has a change competence is likely to be capable of applying the change successfully. Change competence also helps organizations to build capabilities for continuance change (Lines, Sullivan, Smithwick, & Mischung, 2006), encouraging new innovative ideas and creating conditions for them, listening and learning from employees' reactions, and supporting collective learning (Fullan, 2011). Thus, the present study proposes the following hypothesis:

**Hypothesis 3:** Employees' change competence enhances travel agents' performance.

### ***2.5. Communication competence and travel agents' performance***

Communication competence is defined as "the ability to choose among available communicative behaviors to accomplish one's own interpersonal goals during an encounter while maintaining the face and line of fellow interactants within the constraints of the situation" (Potnuru & Sahoo, 2016, p. 353). According to Hellriegel and Slocum (2011), communication competencies have features including KSAs of employees to be effective in transferring information, ideas and feelings with others as they are. This aptitude is based on employees' abilities, skills and behaviors to undertake such tasks. Using electronic communication resources such as emails and the Internet helps establish a direct communication between organization, employees, suppliers, information resources, and customers around the world. Effective communication prevents unfounded generalizations and hurried judgments. It also helps with providing accurate feedback to others. Femi (2014) explains that efficient use of communication competence leads to an increase in employees' performance, job satisfaction, productivity, and loyalty to the organization. Effective communication allows employees to know what is expected from them and avoid any ambiguities. Accordingly, the present study hypothesizes the following:

**Hypothesis 4:** Employees' communication competence enhances travel agents' performance.

### ***2.6. Ethical competence and travel agents' performance***

According to Potnuru and Sahoo (2016, p. 353), ethical competence is "the ability to incorporate values and principles that distinguishes what is right from what is wrong when making decisions and choosing behavior". As Hellriegel and Slocum (2011) mention, ethical competencies have essential features, which include KSAs of employees to effectively identify ethical decision making rules, assessing the importance of ethical matters, enforcing governmental laws and regulations in decision making, ensuring honesty, dignity and respect in work, and finally implementing justice principles related to the decision making (Evans, Levitt, & Henning, 2012).

Kuye and Sulaimon (2011) confirmed that employees must participate in decision making in respect to ethical roles. Participation has advantages such as increasing job satisfaction (Lam, Chen, & Schaubroeck, 2002), increasing organizational commitment, improving organizational citizenship behaviors, positive job attitudes, increasing productivity, providing a chance for employees to use their knowledge and experience leading to better

decisions, organizational flexibility, improving quality and high performance (Kuye & Sulaimon, 2011). Pradeep, Sakthivel and Hareesh (2014) state that when communicated to customers and employees, ethical principles are among the key competencies of service organizations. Thus, the authors agree with the above mentioned arguments towards travel agencies and suggest the following hypothesis:

**Hypothesis 5:** Employees' ethical competence enhances travel agents' performance.

## ***2.7. Across Cultures competence and travel agents' performance***

Barbara, Sheila, and Gordon (2009) state that cross-cultural competence can be defined as the ability to communicate successfully and suitably in a diversity of cultural frameworks with others who are different. Nicolaides (2010) pointed out that cross-cultural diversity competence is an essential element in the hospitality and tourism business. According to Sucher and Cheung (2015, p. 94), across culture competence refers to "the capacities that are required for achieving a mutual understanding, functional interaction and co-operating among people who have different cultural backgrounds". In addition, Hellriegel and Slocum (2011, p. 17) claim that culture is "the dominant pattern of living, thinking, feeling, and believing that is developed and transmitted by people, consciously or unconsciously, to subsequent generations". Across cultures competence has central features, that includes KSAs of employees to be effective in understanding, motivating employees with different values and attitudes, interpreting how work affects the decision making process, using the language of the host country where the individual works, and recognizing the characteristics of unique culture that has influence on behaviour (Hellriegel & Slocum, 2011).

Sucher and Cheung (2015) state that an organization's competitive advantage could stem from employees with multi-cultures competencies. Across culture competence is a necessary factor in the tourism industry, particularly in organizations dealing with new tourism markets with customers from different cultures. It therefore contributes towards achieving customer satisfaction and loyalty. Respectively, across cultures competence associates with the ability to communicate in an effective and an appropriate way with individuals' different cultures (Barbara et al., 2009) through understanding the lifestyle, thoughts, experiences, practices, behaviours, values, and feelings of those individuals (Thomas & Inkson, 2004). Understanding individuals' cultures and efficient teamwork increase employees' abilities and work enthusiasm, and eventually increasing performance (Serrie, 1992). As a result, the following hypothesis is proposed:

**Hypothesis 6:** Employees' across cultures competence enhances travel agents' performance.

## ***2.8. Nepotism-favouritism and employees' competencies***

Poor employment practices remain prevalent in the tourism and hospitality sector (Nickson, 2013). Issues linked to nepotism practices have often been highlighted in Middle-Eastern countries (Budhwar & Mellahi, 2006). Aydogan (2012, p. 4577) defines favouritism as "a person being best owned a privilege, not because of being best in his/her profession, but because of some irrelevant qualification". Sadozai, Zaman, Marri and Ramay (2012) and Aydogan (2014) stated that, there are three types of favouritism: nepotism, cronyism and patronage. Jones and Stout (2015, p. 3) distinguish between nepotism and cronyism and define the former as "actual and perceived preference given by one family member to another", and the latter as "actual and perceived preference by one friend to another". As for



patronage, this takes place when “political parties assuming power assign their relatives and friends to high level management positions” (Aydogan, 2014, p. 4577).

Favouritism can happen in most work places. According to Al-Shawawreh (2016), favouritism does take place in both developed and developing countries, and both public and private sectors. Several consequences linked to favouritism may include: employee frustration, indifference, loss of self-confidence, loss of capabilities, sense of social alienation, constant fear and negative thinking, dismissal of competent employees, ineffective solutions for human resources planning, weak competition among employees, lack of teamwork, weakness of creativity, innovation and organizational culture, and a negative impact on the decision-making process (Safina, 2015).

Bazerman and Gino (2012) pointed out that unethical behavior such as favouritism leads to poor performance, through indirect relationships (Altindage, 2014). Karakose (2014) explains that implementation of favouritism destroys the sense of justice of employees and destroy teamwork spirit, leading eventually to poor organizational performance. Singh and Twalo (2014) argue that nepotism represents a threat to an organization’s position in the labour market since appointment of employees by nepotism creates dangerous effects on job performance, as these get advantages that they do not deserve and may misbehave under the protection umbrella provided by their sponsors.

According to Hayajenh et al. (1994) there is a significant relationship between favouritism and organizational characteristics. In his study, Aydogan (2012) claims that, favouritism leads to harmful behaviour towards work, lack of transparency, and inefficiency. Karakose (2014) concludes that favouritism has undesirable effects on an organization’s spirit. Büte (2011) illustrates that favouritism has a negative influence on job satisfaction, organizational commitment, individual performance, work environment, competent employees’ appointment, loyalty to organization, and employee turnover. In addition, Araslı and Tümer (2008) argued that, favouritism and nepotism increases job stress and then impacts negatively on job satisfaction. Sadozai et al. (2012) posits that favouritism has a negative influence on job satisfaction and performance, leading to low motivations and increased turnover. Likewise, Nadeem, Ahmad, Ahmad, Batool, and Shafique (2015) indicate that favouritism creates conflicts, frustration, and low efficiency and performance since individuals are not treated fairly in respect to their skills, experience, knowledge, talent, and are being treated on a personal basis.

Moreover, Araslı and Tümer (2008) reveal a negative relationship between favouritism, nepotism and cronyism from one side and job satisfaction from another. Nadeem et al. (2015) confirm a significant relationship between favouritism, organizational trust and performance. The studies of both Khatri and Tsang (2003) and Turhan (2014) indicate that cronyism leads to a decreasing sense of justice, commitment, satisfaction, performance, and a distrustful work environment. Ponzo and Scoppa (2011) point out that favouritism leads to an ineffective selection of employees and poor performance in organizations. As Ansari, Merdasi, and Aliabad (2015) illustrate in their study, nepotism impacts negatively on employees’ attitudes in organizations (behaviours, knowledge, and normative). Lastly, in the tourism sector, Erdem and Karatas (2015) note a negative relationship between cronyism and job satisfaction from one side, and departing work in hotels from another. Thus, the study proposes the following hypotheses:

**Hypothesis 7a:** There is a negative relationship between nepotism and employees’ self-competence.

**Hypothesis 7b:** There is a negative relationship between nepotism and employees’ team competence.

**Hypothesis 7c:** There is a negative relationship between nepotism and employees’ change competence.

**Hypothesis 7d:** There is a negative relationship between nepotism and employees' ethical competence.

**Hypothesis 7e:** There is a negative relationship between nepotism and employees' communication competence.

**Hypothesis 7f:** There is a negative relationship between nepotism and employees' across cultures competence.

### 3. Measures

In the present study, seven main constructs validated in previous works were used. The questionnaire's items were measured on a Likert scale ranging from 1 "strongly disagree" to 5 "strongly agree". These constructs were; self-competence, team competence, change competence, communication competence, ethical competence, across cultures competence, and organization performance. Regarding Nepotism-Favouritism, the present study adopts Büte's (2011) eight-item scale, and *Nepotism* refers to biased favouritism granted to favouring relatives, friends or family in several fields, including business, politics, entertainment, sports, religion and other activities. Employees' competencies (Self-Competence, Team Competence, Employee's Change competence, Communication Competence and Ethical Competence) have been measured using items combined by Potnuru and Sahoo (2016) on the basis of various previous sources. Instruments for *Self-Competence* were initially used by Tafarodi and Swann (1995), whereas items for *Team Competence* were extracted from Eby and Dobbins (1997). Similarly, instruments for *Employee's Change Competence* were adapted from Ashford (1988) and items for *Communication Competence* were used from Wiemann (1977). Finally, items for *Ethical Competencies* were adopted from Hellriegel and Slocum, (2011), whereas instruments for *Across Cultures Competence* were used from Chen (2015). As for organizational performance, the present study adopts Elbaz and Haddoud's (2017) five-items scale, assessing the extent to which the Egyptian travel agents have improved their ability to compete in the tourism market. Further details for these measures are provided in Appendix One.

### 4. Material and Methods

The present study adopts a positivist research philosophy with a quantitative approach, in which quantitative data were collected using a questionnaire survey to tackle different stages of the study. Questionnaires were distributed to employees in Egyptian travel agents and category (A) travel agents operating in Egypt. As indicated by Abou-Shouk, Lim and Megicks (2016), Category A travel agents are those qualified to work globally on tourism activities both inbound and outbound. Category (A) travel agencies are the central sampling frame of this study; there are 1229 Category (A) travel agents in Egypt, located across the entire Cairo Governorate (Abou-Shouk et al., 2016). Given the high concentration in The Greater Cairo, and the geographical diffusion of the other governorates throughout Egypt, significant costs, time, and difficulties could be involved in delivering and collecting questionnaires outside The Greater Cairo (Elbaz & Haddoud, 2017). Therefore, as a sampling frame, the focus was on 1229 Category (A) travel agents located in Cairo – Egypt.

To analyse the data, Partial Least Squares-Structural Equation Modelling (PLS-SEM) is used. A minimum of 5 observations to each construct is recommended when using this technique. The research model in the present study consists of 52 items requiring a minimum of 260 observations. The study selected a sample of 600 travel agents. Questionnaires were distributed to the participants between December 2016 and January 2017. Two research assistants were hired for the purpose. Including the 50 gathered from the pilot study, a total of 507 were obtained, representing a response rate of 84.5%; only seven forms were subsequently excluded from the analysis because of missing data, providing a total sample of

500. An English version of the questionnaire was developed and then translated to Arabic and back translated from Arabic to English to check translation accuracy of scale items. Thus, this method ensured the consistency of the real meaning of each item in the original questionnaires (Saunders et al., 2009).

The main purpose of the pilot study was to refine the questionnaire's items so that the target respondents encounter no problems understanding and answering the questions (Elbaz & Abou-Shouk, 2016). The 50 returned questionnaires were coded and entered into SPSS (Version 22) to test for the internal reliability and validity of the variable scales. Cronbach's alpha ( $\alpha$ ) and corrected item-total correlation were used to measure the reliability and validity of constructs. Reliability analysis was done on the seven main latent variables and turned out to be highly reliable. Corrected item-total correlations were appropriate, indicating that no item was redundant, and thus no items were removed.

In terms of the sample's characteristics, Table 1 shows that employees involved in the sample were mostly 26 to 35 years old (60.0%), followed by the 18-25 years old (27.4%). As for gender, a significantly higher proportion of males was recorded (approx. 83.6%). This is very common in a Middle-Eastern setting, where a male population usually dominates the workplace. Moreover, the vast majority of travel agents in the region hold at least a bachelor degree (93.2%). The participants were mostly married (55.0%), followed by single (43.2%). Moreover, 68.2% of the respondents worked in travel agencies for less than 5 years, while 25.6% worked there between 6 to 10 years. Ultimately, more than two thirds (72.6%) of respondents worked with less than two agencies over the course of their careers.

**Insert Table 1. Here**

## **6. Analysis and findings**

To test the hypotheses, we adopted a regression-based Partial Least Squares Structural Equation Modelling (PLS-SEM) using WarpPLS 6.0 (Kock, 2017). The choice of a variance-based approach was deemed suitable for several key reasons: PLS-SEM is the appropriate approach when the research entails theory development (Hair et al., 2016). The current study is an initial attempt to examine the role of nepotism in the distinct context of travel agencies. The paper further develops this theoretical concept by linking nepotism to employees' competencies and performance, hence involving theory development. In addition, the PLS algorithm is mainly suited for complex models (Henseler, Ringle, & Sinkovics, 2009). Here, the proposed integrative conceptual framework includes seven constructs, each with several items. This is considered a complex setting, and hence, better suited to the use of PLS-SEM (Elbaz and Haddoud, 2017). Lastly, The PLS-SEM does not assume normality and includes the assessment of two distinct models, namely the outer (also known as measurement model) and the inner model (also known as structural model). In short, the former focuses on the relationship between the latent variables and their items, whereas the latter is about the links amongst the latent variables (Jarvis, Mackenzie, & Podsakoff, 2003). The following section assesses these two models.

### **6.1. Measurement Model Quality**

To assess the measurement quality of the latent variables used in the study (i.e. the measurement model), the study examined both validity and reliability for all latent variables. Constructs' internal reliability was examined through both composite and Cronbach's Alpha (see Table 2). Alternatively, constructs' validity was assessed through the items' loadings (see Appendix 1) and Average variance Extracted (AVE) for convergent validity (see Table 2) and

the square roots of AVE for discriminant validity and AVE for convergent validity (see Table 2). Collinearity issues were also checked by the Variance Inflation Factor (VIF) for all constructs (see Table 2).

Table 2 illustrates that the composite reliability and Cronbach's alpha coefficients for all constructs are adequate. The full VIFs for constructs are below 5, suggesting that collinearity problems are absent in the measurement model (MacKenzie, Podsakoff, & Podsakoff, 2011). Furthermore, to measure constructs' reliability: Cronbach's alpha and composite reliability should be greater than 0.7 for acceptable reliability, 0.80 for adequate and 0.90 for excellent (Ruiz, Gremler, Washburn, & Capeda-Carrion, 2008).

### **Insert Table 2. Here**

To test the convergent validity, comparable statistical analysis used the methodology introduced by Moser and Kalton (1971); Fornell and Larcker (1981); and Mackenzie et al. (2011). Table (3) shows that all latent variables' factor loading are above the 0.7 threshold, meaning that the measurement latent variables show sufficient convergent validity. These findings indicate good convergent validity. To measure discriminant validity, this study implements multiple techniques. First, discriminant validity is assumed when the extracted variance is greater than the squared correlation among constructs (Kock & Verville, 2012; Kock, 2014). In this study, all constructs correlations were lower than the square root of AVE of their respective constructs. Second, through chi-square difference test, it was confirmed that correlations between each pair of constructs were significantly different from unity (i.e., 1.0). In addition, it can be observed in the correlation matrix in Table 2 that the largest correlation was 0.695, less than the recommended 0.71. Finally, as seen in Appendix 1, all of the items' factor loadings are well onto their own latent factor and poorly on other factors. All of these test results suggest good discriminant validity.

Non-response bias was tested using Armstrong and Overton's (1977) and Chin, Thatcher and Wright's (2012) proposed method. Accordingly, the significant relationship differences between the early and late respondents was measured and investigated through the study. The processing included 375 participants that delivered the survey during the early stage and 125 participants delivered the survey during the late stage. Furthermore, the results of the statistical chi-square test did not prove any significant differences between early and late respondents at the 5% significance level. Therefore, the study excluded probability of nonresponse bias. Finally, a statistical post-hoc test was practically using Harman's one-factor to check for common method bias. In this, the first factor accounted for 23.901% of the variances, which is less than the critical 50%. Consequently, no critical signs of common method bias were recognized.

## **6.2. Structural Model and Hypotheses Testing**

Figure 2 demonstrates the results obtained from multivariate analysis. The model illustrates the latent constructs relationships of the current study. The results show that nepotism has a negative effect on the employee's self-competence ( $\beta = -0.09$  and  $p = 0.02$ ), team competence ( $\beta = -0.08$  and  $p = 0.04$ ) and across cultures competence ( $\beta = -0.12$  and  $p < 0.01$ ). Hence, H7a, H7b and H7f are supported. In contrast, the results indicate that nepotism has no influence on employees' change competence ( $\beta = -0.06$  and  $p = 0.11$ ), ethical competence ( $\beta = -0.06$  and  $p = 0.09$ ) and communication competence ( $\beta = -0.01$  and  $p = 0.44$ ). Thus, H7c, H7d and H7e are rejected.

### **Insert Figure 2. Here**

From Figure (2), it is clear that self-competence has a strong positive effect on the travel agents' performance ( $\beta=0.51$  and  $p<0.01$ ) (H1 supported). Similarly, both team competence and change competence had a positive effect on the travel agents' performance ( $\beta=0.13$ ;  $\beta=0.12$  respectively, and  $p<0.01$ ) (H2 and H3 supported). However, the latter had less influence compared to self-competence. In contrast, the results show that communication competence has no effect on the travel agents' performance ( $\beta=0.01$  and  $p<0.39$ ) (H4 rejected). Likewise, ethical competence and across cultures competence have no influence on travel agents' performance ( $\beta=0.02$ ;  $0.05$  and  $p=0.36$ ;  $0.12$  respectively) (H5 and H6 rejected). Overall, employees' competencies in terms of self-competence, team competence, change competence, communication competence, ethical competence and across cultures competence explained 52% of variance in the Egyptian travel agents' performance ( $R^2=0.52$ ).

### ***6.3. A Configuration Approach using fuzzy-set Qualitative Comparative Analysis (fsQCA)***

A close look at Table 2 shows that very few of the estimated correlation coefficients has an absolute value higher than 0.60. This implies that the tested relationships between the competencies variables and the performance of travel agencies could be asymmetric, and hence alternative combinations of causal conditions could generate the same outcome (Pappas, Kourouthanassis, Giannakos, & Chrissikopoulos, 2016; Pappas & Papatheodorou, 2017). In light of this, this research adopts a configuration approach through fsQCA in order to provide a more holistic insight into the employees' competencies determinants of travel agents' performance.

Introduced by Ragin (2000), fsQCA is a set-theoretic approach to causality analysis that is mainly based on the premise that outcomes are most often caused by the gestalt of a number of factors, rather than any single cause (Ordanini, Parasuraman, & Rubera, 2013). The principle that each cause has its own isolated net effect on the outcome (an assumption generally made by the conventional multiple regression analysis) is being challenged more and more (Ragin & Rihoux, 2009). Instead, the fsQCA method considers how various combinations of causal conditions (if any) generate a specified outcome (Fiss, Sharapov, & Cronqvist, 2013; Woodside, 2013).

FsQCA is a case-based technique considering the contrarian cases that do not typically fit within the common trend of the data (Woodside, 2014). The technique has the ability to identify multiple solutions (if any) that can successfully lead to the same proposed outcome. It therefore tackles the issue of "equifinality" which often exist in management-related phenomena. The concept of "equifinality" describes situations when different but equally effective configurations of factors generate the same outcome (Fiss, 2007). In short, fsQCA analysis may expose patterns within the dataset that would have been difficult to capture through the conventional multiple regression analysis (Vis, 2012). Against this, fsQCA was applied to the present study in order to examine the various combinations of employee competencies influencing the travel agencies' performance.

#### ***Calibration***

According to Ragin (2009), fsQCA researchers need to calibrate the causal conditions (employee competencies) and the outcome (travel agents' performance) using fuzzy set scores (Ragin, 2009). This process includes the identification of the three values matching three qualitative anchors representing three fuzzy set thresholds, i.e. full membership (1), cross over point (0.5) and full non-membership (0). To "fuzzify" original Likert scores, the researchers used the scores 1 (strongly disagree), 3 (neutral) and 5 (strongly agree) as representing non-membership, cross over point, and full membership.

#### ***Sufficiency analysis***

Results of the fsQCA analysis for high travel agents' performance are presented in Table 3 (intermediate solution). For a combination to be valid, a threshold of at least ten cases per combination (also known as frequency threshold) was chosen (as recommended by Ragin (2008) for large datasets). Regarding the consistency threshold, a threshold of 0.93 was selected. Consistency scores above 0.74 generally reflect informative solutions (Skarmas, Leonidou, & Saridakis, 2014; Woodside 2013).

### Insert Table 3. Here

To enhance the readability of the results, a simplified illustration is presented in which black circles indicate the presence of a causal condition, blank circles indicate the absence or negation of a condition, and blank cells refer to cases where the presence or absence of such a condition does not matter for the outcome. Table 3 also includes the raw consistency measures for each solution. Raw consistency is similar to the significance coefficient in regression analysis (Woodside & Zhang, 2012). Coverage scores for each solution and condition are also provided. These illustrate the proportion of cases explained by a single condition (unique coverage) or the solution (raw coverage) (Ragin, 2009). Coverage is analogous to effects size in hypothesis testing (Woodside & Zhang, 2012). The overall solution coverage is also given. This illustrates to what extent travel agents' performance is determined by the identified configurations of employees' competencies. This is akin to the R-square value reported in variable-based techniques (Woodside, 2013).

As can be seen from Table 3, no single competence will lead to high performance, but instead combinations of competencies will. In particular, two solutions with high raw consistency (above 0.90) have been identified as leading to high performance in travel agencies. The study finds that the combination of *team competence* × *self-competence* × *change competence* × *ethical competence* × *across cultures competence* (solution 1) is likely to result in high performance as it shows a consistency score of 0.97. This solution is shared by 81% of the employees (raw coverage). Alternatively, the combination of *team competence* × *change competence* × *communication competence* × *ethical competence* × *low across cultures competence* (solution 2) is also likely to result in high performance, exhibiting a consistency score of 0.92 and shared by 19% of the employees included in this study. In short, it could be argued that in solution 2, the lack of self-competence and across cultures competence was offset by communication competence. These two solutions explain 85% of the likelihood of achieving a high performance. These results are discussed next.

## 7. Discussion and Conclusion

Using a dual PLS-SEM and fsQCA approach, the present study seeks to identify the key combinations of employees' competencies likely to enhance the performance of Egyptian travel agencies. The study also investigates the influence of nepotism on such competencies.

### *Which competencies matter?*

On the one hand, the findings from the multivariate regression-based analysis indicate that self-competence, team competence and change competence are the key competencies driving Egyptian travel agents' performance. In this respect, Hellriegel and Slocum (2011) claim that self-competence is the most important competence to improve performance. Tafari and Swann (1995) explain that self-competence might increase employees' abilities, efficiency, performance outcomes, success, and adaptation to pressures. In addition, Nzewi et al. (2015) found that teamwork leads and proceeds to improve organizational performance, increasing job satisfaction, organizational commitment, motivations, behavioural changes,

efficiency, performance, making work more creative and innovative, and using intellectual capabilities. Regarding change competence, Lines et al. (2015) argued that a resistance to change can easily be overcome when employees possess change competencies, whereas Kansal and Chandani (2014) indicate that employees who have change competence will have the capability to apply the change successfully.

However, on the other hand, the fsQCA analysis has shown that such competencies are not sufficient to achieve higher performance and that it is instead the combinations of these competencies, alongside additional ones, that is likely to drive value creation. In fact, two combinations of employee competencies were found to be important precursors to travel agencies' performance. First, the analysis revealed that employees' self-competence, team competence and change competence have to be complemented with ethical and across cultures competencies in order to drive performance. In fact, evidence shows that ethical management practices and values are emerging as a strong trend in the tourism industry (Frey and George, 2010). Tourism decision-makers are likely to embrace ethical management practices when they believe that such actions could be effective (Yaman & Gurel, 2006). It was found that ethical management practices allow tourism businesses to safeguard against potential risks that may affect their reputation and image (Frey & George, 2010). Regarding across cultures competence, the latter would enhance the ability to communicate effectively with individuals' from different cultures (Barbara et al., 2009). This is key in the tourism sector, as Nicolaides (2010) suggests that cross-cultural diversity competence is an essential element when the work environment is likely to include international suppliers, agents and customers.

Alternatively, if self-competence and across cultures competence are missing, communication competence can offset these absences. Possessing effective communication capabilities is likely to allow individuals to deal effectively with miscommunication challenges that may arise from the lack of across cultures competencies or image and reputation related risks. Similarly, self-competence deficiencies may be compensated with external help that is likely to result from effective communication skills. This is particularly relevant in the highly collectivist Egyptian context. Hofstede (1991) and Rice (2006, p. 239) confirmed that, "such an environment is not incompatible with a caring atmosphere". The collectivist nature embedded in such societies is likely to result in collaborations, mutual support and information sharing amongst employees that will eventually compensate individual limitations.

### *Does nepotism matter?*

The results confirm that nepotism has a negative effect on the employee's self-competence, team competence and across cultures competence. The results are compatible with Büte (2011) who found that nepotism-favouritism negatively affects an individual's performance, competent employees' appointment and loyalty to organization. In addition, these results consistently match with other studies which indicate that nepotism-favouritism has a negative influence on job satisfaction and performance, leading to low motivations (Sadozai et al., 2012; Nadeem et al., 2015). Based on these results, it is concluded that nepotism-favouritism is an obstacle that creates conflicts, frustration, low efficiency and performance, since the employees are not treated fairly in respect to their skills, experience, knowledge and talent. More importantly, the present findings are able to show that nepotism not only affects employees' satisfaction and attitudes toward the organisation but also negatively affects their competencies, which for small and medium travel agents represent a key source of competitive advantage.

Such findings could also be explained by the context in which this study has taken place. Travel agencies in Arab countries are typically family-owned (Brdesee, Corbitt, &

Pittayachawan, 2012), and in this regard evidence showed that nepotism tends to be prevalent in family firms in order to keep family power and influence (Gómez-Mejía, Berrone, & Franco-Santos, 2014; Neacsu, Gómez-Mejía & Martin, 2017). It was proven that family values may at times lead to nepotism practices where family members without appropriate training or expertise act as managers, hence jeopardising business performance and affecting relationships with customers and suppliers (Dyer, 2006). Here, family connections may hinder the use of appropriate management talent and the development of human capital. Moreover, evidence showed that family members are often reluctant to monitor, evaluate, or discipline each other, which in turn negatively affects organisational performance (Schulze et al., 2001).

To conclude, the dual approach adopted in this study has revealed the complexity associated with travel agencies' performance and highlighted the importance of co-aligning the multiple employee competencies in order to drive value creation in the tourism context. More importantly, the study uncovered an equifinality phenomenon and indicated that, with respect to employee competencies, at least two distinct routes can result in higher performances amongst Egyptian travel agencies. As pointed by previous works (Gruber et al., 2010; Nordqvist et al., 2014), theory suggests that firms' resources and competencies are likely to be used in bundles; hence, uncovering optimum combinations likely to drive performance is an important addition to the current knowledge. Here, according to Naquin and Holton (2006), while past studies indicated the decisive role of the employees' competencies for improving organizational performance, minimal evidence was noted when it comes to the combined influences of such competencies on organizational performance, which has to some extent affected the usefulness of the extant literature.

The configuration approach adopted in this study provides tourism managers of travel agencies with guidance on the optimum "recipes" of employee competencies likely to drive performance. It gives them more than one potentially successful route for increasing performance. This will therefore help these managers in improving the design and delivery of training courses with the purpose of enhancing the relevant competencies and eventually increasing organizational performance. Being resource-constrained firms, such guidance would allow travel agents to achieve higher efficiency in their training courses. Paying attention to the development of employee competencies is considered to be the basis for the travel agents to increase their performance. Moreover, the study takes into consideration a common practice in the Egyptian context that is likely to undermine such competencies, namely: nepotism. In this respect, the study proves the negative influence nepotism practices can hold on the development of such competencies. Consequently, this raises awareness on the potential negative influence such cultural-related factors can have. Human resources practices in the Egyptian travel agents should therefore be re-regulated to achieve greater fairness and equality among all employees (Büte, 2011).

This study is bound by certain limitations that also pave the road for further research. First, the present study was restricted to the direct effect of employees' competencies on travel agents' performance. However, future research may consider the influence of human resources interventions' practices on employees' competencies. Second, the present study included the influence of six competencies. However, this is by no means an exhaustive list, and additional competencies such as diversity competency can be investigated (Hellriegel & Slocum, 2011). Finally, the present sample could be biased due to the male-dominant business background in Egypt. Therefore, the researchers recommend that future research should consider this limitation as a gap for further investigations.

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**Table 1:** Sample's Characteristics.

<b>Characteristics</b>	<b>Percent</b>
<b>Age</b>	
18-25 years	27.6
26-35 years	60.0
36-45 years	9.4
45-55 years	2.2
More Than 55 years	0.8
<b>Gender</b>	
Male	83.6
Female	16.4
<b>Education</b>	
Bachelor degree	93.2
Diploma	2.6
Master's degrees	2.8
Others	1.4
<b>Marital Status</b>	
Single, never married	43.2
Married	55.0
Widowed	1.0
Divorced	0.8
<b>Working Period under Current Supervisors</b>	
Below 2 years	50.6
2-6 years	47.2
7-11 years	2.0
Above 11 years	0.2
<b>Working Period in Travel Agencies</b>	
Below 5 years	68.2
6-10 years	25.6
11-15 years	5.2
Above 15 years	1.0
<b>Number of Travel Agent Worked with in Career Life</b>	
Below 2 companies	72.6
2-6 companies	23.8
7-11 companies	3.0
Above 11 companies	0.6

**Table 2: Construct Correlations and Square Root of Average Variance Extracted**

Correlations and Square Roots of AVEs								
Construct	PER	SELF	TEAM	CHANG	COMMU	ETHCO	CULT	NEFA
<b>PER</b>	<b>(0.792)</b>							
<b>SELF</b>	0.695	<b>(0.780)</b>						
<b>TEAM</b>	0.572	0.617	<b>(0.816)</b>					
<b>CHANG</b>	0.518	0.545	0.608	<b>(0.889)</b>				
<b>COMMU</b>	-0.006	-0.021	0.005	0.022	<b>(0.913)</b>			
<b>ETHCO</b>	-0.008	0.025	0.022	0.046	0.197	<b>(0.906)</b>		
<b>CULT</b>	0.478	0.638	0.479	0.347	0.017	0.089	<b>(0.886)</b>	
<b>NEFA</b>	-0.087	-0.040	-0.043	-0.002	-0.007	-0.115	-0.057	<b>(0.735)</b>
Construct Coefficient								
<b>AVEs</b>	0.627	0.608	0.666	0.790	0.834	0.820	0.786	0.540
<b>VIFs</b>	2.120	2.836	2.051	1.763	1.043	1.054	1.748	1.015
<b>CA</b>	0.851	0.871	0.873	0.734	0.801	0.781	0.727	0.707
<b>CR</b>	0.894	0.903	0.909	0.883	0.909	0.901	0.880	0.821

*Note: Bolded items are the square root of average variance extracted (AVEs). PER = Travel Agents' Effectiveness; SELF = Self-Competence; TEAM = Team Competence; CHANG = Change Competence; COMMU = Communication Competence; ETHCO = Ethical Competence; CULT = Across Cultures Competence; NEFA= Nepotism-Favoritism; CA = Cronbach's Alpha, and CR = Composite Reliability.*



**Table 3:** Combinations of Competency Drivers Leading to High Performance

Solutions	Team Competence	Self-Competence	Change Competence	Communication Competence	Ethical Competence	Across Cultures Competence	Raw Coverage	Consistency
1	●	●	●		●	●	0.81	0.97
2	●		●	●	●	●	0.19	0.92

● = Presence of a condition    ○ = Absence of a condition    Blank cell = "Don't care"

**Note: Overall solution coverage: 0.85; Solution consistency: 0.95**

## Appendix 1: Descriptive Statistics and Normality Tests of the Constructs in the Model

Construct	Mean	SD	Corrected Item-total correlation	Skewness	Kurtosis	Items' Loading	Supporting Literature
<i>Nepotism</i>							
I always feel that I need someone I know or a friend in a high-level position (NEFA1)	4.29	1.029	.680	-1.939	3.429	0.831	Büte (2011)
Supervisors are afraid of subordinates who are related to high-level executives (NEF2)	4.33	.920	.464	-2.033	4.546	0.629	
I am always careful when speaking to family or relatives of travel agent executives (NEFA3)	4.31	1.084	.646	-1.921	2.995	0.829	
Executives are more interested in keeping friends and acquaintances in good positions than they are in those employees' performance or the organization's profitability ( NEFA4)	3.89	1.484	.401	-1.017	-.589	0.621	
The expectations of executive relatives and acquaintances are given priority (NEFA5) <sup>a</sup>	3.30	1.567	-.039	-.443	-1.423		
Travel agents permitting employment of executives' relatives have a hard time attracting and retaining quality people who are not relatives (NEFA6) <sup>a</sup>	4.40	1.201	.012	-2.062	2.883		
Travel agent permitting employment of executives' relatives have a difficult time firing or demoting them if they prove inadequate (NEFA7) <sup>a</sup>	4.50	.641	.035	-1.375	2.645		
High-level executives of this travel agent have a hard time demoting or firing friends and acquaintances (NEFA8) <sup>a</sup>	4.71	.738	.010	-3.377	12.414		
<i>Team competence</i>							
I can work very effectively in a group setting (TEAM1)	4.43	.847	.596	-2.133	5.443	0.738	Eby & Dobbins (1997), and Potnuru & Sahoo (2016)
I can contribute valuable insight to a team project (TEAM2)	4.43	.852	.746	-2.246	6.152	0.857	
I can easily facilitate communication among people (TEAM3)	4.37	.905	.768	-2.093	4.941	0.872	
I am effective at delegating responsibility for tasks (TEAM4)	4.37	.950	.765	-2.097	4.565	0.854	
I can effectively coordinate tasks and activities of a group (TEAM5)	4.25	1.079	.626	-1.846	2.870	0.751	
I am able to resolve conflicts among individuals effectively (TEAM6) <sup>a</sup>	4.79	.491	.177	-2.962	11.229		
I do feel I can take on a leadership role in a group and be effective (TEAM7) <sup>a</sup>	4.62	.642	.103	-2.092	5.351		
I am very good at integrating information and suggestions from individuals into a plan (TEAM8) <sup>a</sup>	4.57	.977	.068	-2.396	4.720		
<i>Self-Competence</i>							
Owing to my capabilities, I have much potential (SELF1)	4.31	1.070	.667	-1.846	2.741	0.780	Tafarodi & Swann (1995, and Potnuru &
I succeed at much (SELF2)	4.30	1.030	.708	-1.740	2.456	0.780	
I have done well in life so far (SELF3)	4.31	1.120	.722	-1.846	2.552	0.820	
I perform very well at a number of things (SELF4)	4.29	1.090	.695	-1.760	2.329	0.797	

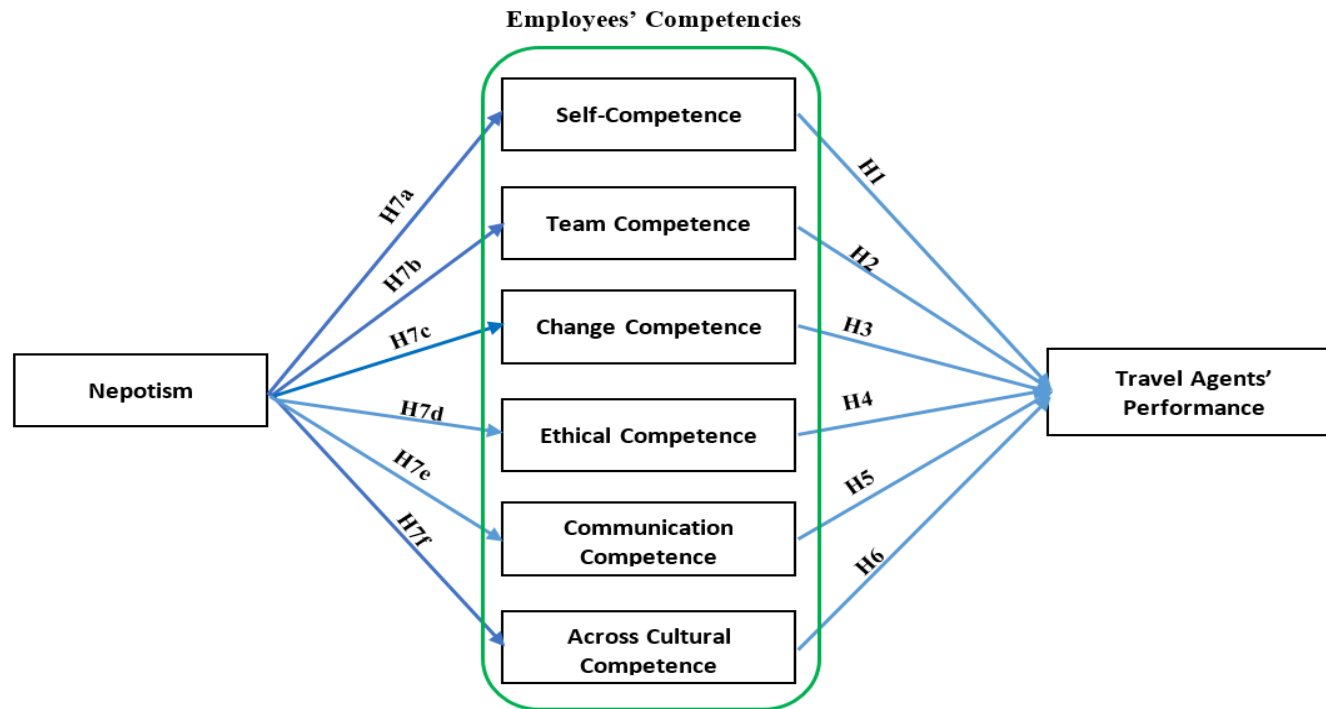
I am a capable person (SELF5)	4.36	1.048	.670	-1.988	3.365	0.775	Sahoo (2016)
I have much to be proud of (SELF6)	4.37	1.007	.612	-1.909	3.147	0.725	
I am talented (SELF7) <sup>a</sup>	4.76	.702	.053	-3.957	17.134		
I am very competent (SELF8) <sup>a</sup>	4.53	.942	.076	-2.475	5.799		
<i>Change Competence</i>							
I am confident in my ability to deal with the planned structural changes (CHANG1)	4.51	.894	.580	-2.526	6.784	0.880	Ashford (1988), and Potnuru & Sahoo (2016)
I am confident to help organization to deal with the stressful nature of organizational change (CHANG2)	4.45	.803	.580	-2.128	5.765	0.889	
I am confident and able to do all demands of change (CHANG3) <sup>a</sup>	4.59	.703	.284	-2.405	7.425	0.663	
I believe I perform well in my job situation following the restructuring (CHANG4) <sup>b</sup>	4.79	.518	.333	-2.768	10.923	0.683	
Providing training, I can perform well following the change (CHANG5) <sup>a</sup>	4.73	.808	.230	-3.267	10.009	0.563	
<i>Communication Competence</i>							
I am a good listener (COMMU1) <sup>b</sup>	4.55	.941	.420	-2.552	6.085	0.678	Wiemann (1977), and Potnuru & Sahoo (2016)
I won't argue with someone just to prove I am right (COMMU2) <sup>a</sup>	4.35	1.347	.107	-1.963	2.149		
I generally know what type of behaviour is appropriate in any given situation (COMMUN3)	4.56	.888	.776	-2.753	7.082	0.913	
I do not mind meeting strangers (COMMU4) <sup>a</sup>	4.63	1.083	.202	-2.930	6.979		
I can easily put myself in another person's shoes (COMMU5)	4.66	1.055	.776	-3.098	7.909	0.913	
<i>Ethical Competence</i>							
I have the ability to deal with moral conflicts and problems (ETHCO1)	4.82	.575	.641	-3.783	14.575	0.796	Hellriegel and Slocum (2011), and Potnuru & Sahoo (2016)
I can defend my ethical decision (ETHCO2) <sup>a</sup>	4.68	.828	.279	-3.406	11.867	0.787	
I maintain fair process at all times (ETHCO3) <sup>b</sup>	4.76	.468	.481	-3.472	14.479		
I respect the dignity of those affected by the decisions (ETHCO4) <sup>b</sup>	4.85	.616	.579	-3.795	17.038	0.730	
I have the ability to take decisions in ethical dilemmas (ETHCO5)	4.76	.737	.641	-3.715	14.027	0.722	
<i>Across Cultures Competence</i>							
I can deal with the pressure of being in a new environment (CULT1) <sup>b</sup>	3.91	1.375	.547	-1.096	-.191	0.790	Chen (2015), and Potnuru & Sahoo (2016)
I can live anywhere and enjoy life (CULT2)	4.09	1.209	.572	-1.406	.942	0.886	
I can cope well with whatever difficult feelings I might experience (CULT3)	4.19	1.151	.572	-1.590	1.643	0.886	
<i>Organizational Performance</i>							
I have high work performance (PERFORM1)	4.34	1.020	.660	-1.937	3.373	0.793	Elbaz and
Employees tasks are accomplished quickly and efficiently (PERFORM2)	4.36	1.046	.692	-2.002	3.473	0.818	

Employees always set a high standard of task accomplishment (PERFORM3)	4.34	1.049	.705	-1.927	3.161	0.825	Haddoud (2017)
Employees always achieve a high standard of task accomplishment (PERFORM4)	4.40	.952	.587	-2.078	4.274	0.725	
Employees almost always beat my targets (PERFORM5)	4.18	1.136	.667	-1.670	2.020	0.795	

<sup>a</sup> Dropped item due to low corrected item-total correlation.

<sup>b</sup> Dropped item due to low loading and cross-loading

**Fig.1.** Theoretical framework and hypotheses



**Fig. 2.** Path coefficients and P-values.

